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## TECHNICAL MEMORANDUM

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**TO: JENELE DAVIDSON, ASSISTANT TO THE CITY MANAGER  
CITY OF VICTORVILLE**

**FROM: GREG CLUMPNER, DIRECTOR, NBS UTILITY RATE PRACTICE GROUP**

**RE: SUMMARY OF SOLID WASTE RATE ANALYSIS**

**DATE: MARCH 29, 2018**

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### INTRODUCTION AND OVERVIEW

The City of Victorville (City) contracts for all solid waste services within the City, including refuse collection and disposal for residential and commercial customers, recycling, and operation of the City's Material Recovery Facility (MRF). The City provides these services under a franchise agreement with Victorville Disposal (a.k.a Burrtec Waste Industries), which has annual CPI adjustments that the City has, since 2008, funded through reserve contributions rather than through rate increases. Additionally, the City must implement a new commercial organics program to comply with recent State of California mandates. The City retained NBS to help update the current solid waste rates.

The City has determined that the updated rates should reflect modifications to the current rate structure and include a number of changes, including: (1) adjustments required under the existing hauler agreement, (2) additional administrative costs, (3) costs incurred to accommodate current regulatory requirements such as new recycling goals, and (4) a new pavement impact fee.

The new rates will incorporate these additional cost components and will be based on the financial plan developed as a part of this study. This memo summarizes the analysis and the recommended new rates.

### RATE STUDY METHODOLOGY

Rate studies typically include three components:

1. **Preparation of a Financial Plan** – This plan incorporates current and projected budget data, including projected expenses and revenues. Revenue consist of both rate- and non-rate revenues, or the fees and charges the City uses to collect revenue for solid waste service (i.e., rates) and miscellaneous other revenues such as late fees and interest earnings. This analysis also evaluated current and planned reserve-fund levels, which are discussed further below.

2. **Cost of Service Analysis** – This component focuses on fairly and equitably allocating costs to the various customer classes, or types of service, such as single-family residential, commercial bins, commercial recycling, roll-offs, etc. In the City’s case, rates are established in the City’s hauler agreement with Victorville Disposal, although a limited number of administrative and overhead costs are allocated and incorporated into solid waste rates.

As a part of this analysis, City staff have evaluated current and proposed new City-related charges and those adjustments have been incorporated into the recommended new rates.

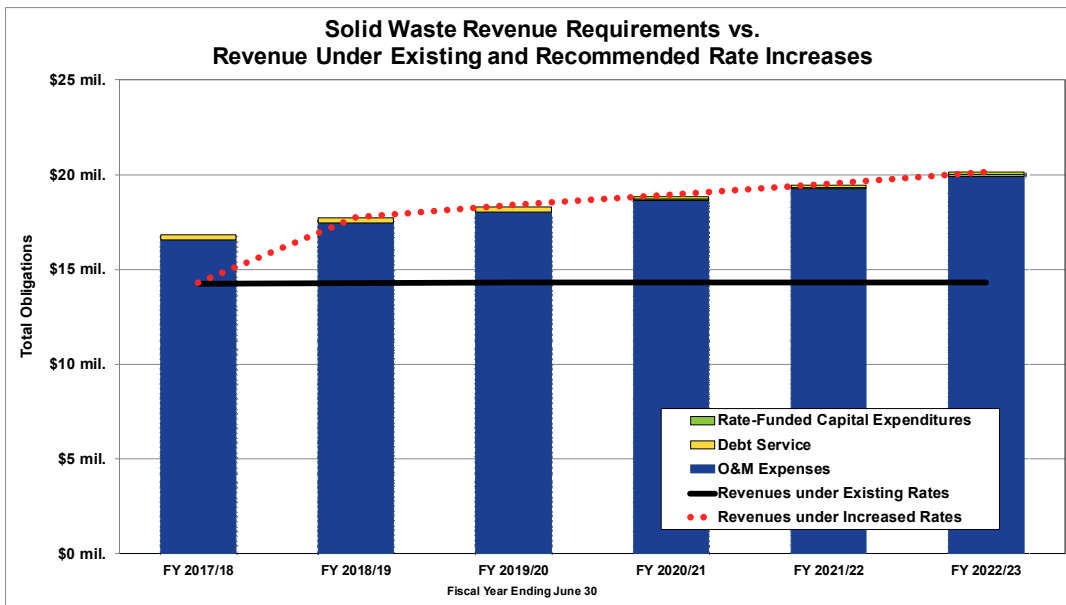
3. **Rate Design Analysis** – In most rate studies, this determines the format by which rate revenue is collected (for example, in water rates there are typically fixed vs. volumetric rates). The City’s solid waste rates are already established, and consist of rate components determined by the hauler agreement and those imposed by the City.

### RESULTS OF THE SOLID WASTE RATE STUDY

**Financial Plan** – The financial plan incorporates the planned expenditures and various revenues, which can generally be thought of as those derived from rates and fees, vs. other, non-rate revenues, such as late fees and interest earnings. Although the financial plan identifies how closely revenues match overall expenditures, the overall rate increases each year do not directly tie to rates for each customer class and service level. Those are determined by the cost-of-service analysis and rate design, and the City’s analysis of the individual rate components is incorporated into those individual rates.

The following is a summary of the overall financial plan. Figure 1 illustrates the projected revenue requirements and total revenue under current vs. proposed rates. Table 1 summarizes the “Sources of Funds”, and Table 2 summarizes the “Uses of Funds”. Together, these tables outline the financial plans for the next five years and indicate the overall increase in rate revenue is approximately 26.3% in FY 2018/19, 3.9% in FY 2019/20, and about 3.2% the last three years. These increases in rate revenue are the composite increases, with increases to individual rates varying based on the changes in individual rate components.

**Figure 1 – Summary of Solid Waste Financial Plan**



**Table 1 – Summary of Solid Waste Revenues**

RATE REVENUE REQUIREMENTS SUMMARY	Budget		Projected			
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Sources of Solid Waste Funds</b>						
Solid Waste Rate Revenues <sup>1</sup> :						
SW-ADMIN FEE	\$ 1,433,000	\$ 1,433,000	\$ 1,433,000	\$ 1,433,000	\$ 1,433,000	\$ 1,433,000
SW-SOLID WASTE FEE	11,113,000	11,113,000	11,113,000	11,113,000	11,113,000	11,113,000
SW-ADMIN FEE	493,840	493,840	493,840	493,840	493,840	493,840
<b>Total Rate Revenues<sup>1</sup>:</b>	<b>13,039,840</b>	<b>13,039,840</b>	<b>13,039,840</b>	<b>13,039,840</b>	<b>13,039,840</b>	<b>13,039,840</b>
Revenue from Other Solid Waste Fees:						
SOLID WASTE-LATE FEE	\$ 166,400	\$ 208,000	\$ 215,072	\$ 222,384	\$ 229,946	\$ 237,764
SW-LANDFILL TIPPING CHARGE	34,680	35,547	36,436	37,347	38,280	39,237
Total Revenue from Other Solid Waste Fees:	201,080	243,547	251,508	259,731	268,226	277,001
<b>Sub-Total Solid Waste Revenues</b>	<b>13,240,920</b>	<b>13,283,387</b>	<b>13,291,348</b>	<b>13,299,571</b>	<b>13,308,066</b>	<b>13,316,841</b>
Source Reduction/Recycling Revenues:						
SRR-WDA ARTICLE 19	\$ 51,000	\$ 52,275	\$ 53,582	\$ 54,921	\$ 56,294	\$ 57,702
MRF GROSS SALES	956,000	956,000	956,000	956,000	956,000	956,000
<b>Sub-Total Source Reduction/Recycling Revenues</b>	<b>1,007,000</b>	<b>1,008,275</b>	<b>1,009,582</b>	<b>1,010,921</b>	<b>1,012,294</b>	<b>1,013,702</b>
<b>Total Sources of Funds</b>	<b>\$ 14,247,920</b>	<b>\$ 14,291,662</b>	<b>\$ 14,300,930</b>	<b>\$ 14,310,492</b>	<b>\$ 14,320,360</b>	<b>\$ 14,330,543</b>

**Table 2 – Summary of Solid Waste Expenditures and Revenue Requirements**

RATE REVENUE REQUIREMENTS SUMMARY	Budget		Projected			
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Uses of Solid Waste Funds</b>						
Operating Expenses:						
SWM-HAULING CHARGES	\$ 9,452,500	\$ 10,218,722	\$ 10,576,377	\$ 10,946,550	\$ 11,329,680	\$ 11,726,219
SW-DISPOSAL CHARGES	3,241,000	3,322,025	3,405,076	3,490,203	3,577,458	3,666,894
SOLID WASTE ADMIN--EXPENSES	1,506,639	1,282,434	1,317,060	1,352,621	1,389,141	1,426,648
SOLID WASTE CAPITAL EXPENSES	40,000	-	-	-	-	45,700
SOLID WASTE ADMIN--CCU/ILLEGAL DUMP PROGRAM	62,000	-	-	-	-	-
PAVEMENT IMPACT	-	506,000	506,000	506,000	506,000	506,000
SRR*--ADMIN/PROGRAM EXPENSES- MRF OPERATIONS	980,000	1,043,700	1,111,541	1,183,791	1,260,737	1,342,685
SRR*--ADMIN/PROGRAM EXPENSES	351,991	361,495	371,255	381,279	391,574	402,146
CUSTOMER SERVICE--SOLID WASTE EXPENSES	704,796	723,825	743,369	763,440	784,053	805,222
SOLID WASTE--DEVEL. DEPT.-CODE ENFORCEMENT	231,009	-	-	-	-	-
<b>Subtotal: Operating Expenses</b>	<b>\$ 16,569,935</b>	<b>\$ 17,458,202</b>	<b>\$ 18,030,677</b>	<b>\$ 18,623,883</b>	<b>\$ 19,238,642</b>	<b>\$ 19,921,513</b>
Other Expenditures:						
Existing Debt Service	\$ 266,745	\$ 267,745	\$ 265,378	\$ -	\$ -	\$ -
Rate-Funded Capital Expenses <sup>2</sup>	-	-	-	100,000	100,000	100,000
<b>Subtotal: Other Expenditures</b>	<b>\$ 266,745</b>	<b>\$ 267,745</b>	<b>\$ 265,378</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>
<b>Total Uses of Solid Waste Funds</b>	<b>\$ 16,836,680</b>	<b>\$ 17,725,947</b>	<b>\$ 18,296,055</b>	<b>\$ 18,723,883</b>	<b>\$ 19,338,642</b>	<b>\$ 20,021,513</b>
<b>Net Revenue Reqs. (Total Uses Less Non-Rate Revenue)<sup>2</sup></b>	<b>\$ 15,628,600</b>	<b>\$ 16,474,125</b>	<b>\$ 17,034,965</b>	<b>\$ 17,453,231</b>	<b>\$ 18,058,122</b>	<b>\$ 18,730,811</b>
<i>Additional Revenue from Rate Increases<sup>3</sup></i>	-	3,435,459	647,321	552,846	571,616	591,034
<b>Total Rate Revenue After Rate Increases (Existing + Increase)</b>	<b>13,039,840</b>	<b>16,475,299</b>	<b>17,122,620</b>	<b>17,675,466</b>	<b>18,247,082</b>	<b>18,838,117</b>
<b>Annual Surplus/(Deficit)</b>	<b>\$ (2,588,760)</b>	<b>\$ 1,174</b>	<b>\$ 87,655</b>	<b>\$ 222,236</b>	<b>\$ 188,961</b>	<b>\$ 107,306</b>
<b>Composite Rate Increase<sup>4</sup></b>	<b>0.0%</b>	<b>26.3%</b>	<b>3.9%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.2%</b>
<i>Cumulative Increase from Annual Rate Increases</i>	0.0%	26.3%	31.3%	35.5%	39.9%	44.5%

\* SRR = Source Reduction Recycling.

1. Original budget numbers for 2017/18 have been decreased by 1.5% to back out an assumed 1.5% growth; proposed rate revenue increases are reflected in new rates.

However, budget estimates do not tie to actual Calendar Year 2017 rate revenues from Sanitation Billings Summary.xls file - which are reflected in the Total Rate Revenue

2. As the MRF debt service ends, these contributions will fund general capital repair and replacement costs, most significantly the MRF.

3. Non-Rate Revenue includes "Revenue from Other Solid Waste Fees" and "Source Reduction/Recycling Revenues".

4. Rates for each customer class are made up of adjustments to various rate components rather than an across-the-board adjustment.

Therefore, individual rates will be different from the composite rate increases.

**Reserve Funds** – The City has not increased solid waste rates since 2008; instead the City has chosen to fund cost increases using available reserve funds. This approach is not sustainable in the long term. Going forward, the City wanted to evaluate the means to best match rate revenue with actual costs and plan for adequate reserve fund levels. This evaluation reflects the fact that the City contracts for most refuse collection and recycling activities, but still needs to manage City operations (e.g., some recycling, cleanup, and Materials Recovery Facility (MRF) operations). The following reserve funds and target reserve ending-year balances are recommended, and Table 3 summarizes the projected reserves, and Figure 2 illustrates the projected reserve fund balances compared to the target ending balances:

- Operating & Maintenance (O&M) Reserve – This reserve is intended to cover emergency and unplanned costs, as well as provide for normal cash-flow management. Typical utility O&M reserves are intended to cover for three months (90 days) of annual operating costs. In the City’s case, this three-month reserve only applies to City O&M costs, and excludes costs related to contracted operations (i.e., the hauler agreement). This target reserve amounts to approximately \$600,000 to \$660,000 over the next five years.
- Capital and MRF Repair & Replacement reserve – This reserve provides emergency funds related to capital assets, including rolling stock, buildings and structures, such as the MRF facilities. Because most of the rolling stock and corporation yard maintenance facilities are provided by the contracted hauler (Victorville Disposal), the City’s capital assets are relatively small. The analysis assumes that 15 percent of the value of City-owned capital assets is a reasonable target reserve level for this reserve.
- Debt Reserve – The City is required to maintain a debt-service reserve. This is a restricted reserve and is not available for normal operating expenses. The reserve equals the annual debt-service payment of \$267,000. However, this debt will be paid off by the end of FY 2019/20, at which time the remaining reserve will be transferred into the solid waste O&M reserve.

**Table 3 – Summary of Solid Waste Reserve Funds**

SUMMARY OF RESERVE FUND ACTIVITY	Budget	Projected				
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Total Beginning Unrestricted Fund Balance (1)</b>	<b>\$ 3,261,143</b>					
<b>Solid Waste O&amp;M Reserve Fund</b>						
Beginning Reserve Balance	\$ 2,948,747	\$ 404,638	\$ 405,812	\$ 495,835	\$ 529,850	\$ 610,436
Plus: Net Cash Flow (After Rate Increases)	(2,588,760)	1,174	87,655	222,236	188,961	107,306
Plus: Transfer of Debt Reserve Surplus	44,651	-	2,368	265,378	-	-
Less: Transfers To the Capital and MRF Repair & Replacement	-	-	-	(453,598)	(108,374)	(107,276)
<b>Ending O&amp;M Reserve Balance</b>	<b>\$ 404,638</b>	<b>\$ 405,812</b>	<b>\$ 495,835</b>	<b>\$ 529,850</b>	<b>\$ 610,436</b>	<b>\$ 610,466</b>
<b>Target Ending Balance (90 days of direct O&amp;M)</b>	<b>\$ 699,000</b>	<b>\$ 592,000</b>	<b>\$ 608,000</b>	<b>\$ 624,000</b>	<b>\$ 641,000</b>	<b>\$ 659,000</b>
<b>Capital and MRF Repair &amp; Replacement Reserve Fund<sup>2</sup></b>						
Beginning Reserve Balance		\$ -	\$ -	\$ -	\$ 357,000	\$ 368,115
Net: Transfer From/(To) the Operating Reserve	\$ -	\$ -	\$ -	\$ 453,598	\$ 108,374	\$ 107,276
Interest Earnings				\$ 3,402	\$ 2,740	\$ 2,815
Less: Use of Reserves for MRF R&R Expenditures	\$ -	\$ -	\$ -	\$ (100,000)	\$ (100,000)	\$ (100,000)
<b>Ending Repair &amp; Replacement Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 357,000</b>	<b>\$ 368,115</b>	<b>\$ 378,206</b>
<b>Target Reserve (15% of Estimated Existing Net Assets)<sup>3</sup></b>	<b>\$ 330,000</b>	<b>\$ 339,000</b>	<b>\$ 348,000</b>	<b>\$ 357,000</b>	<b>\$ 367,000</b>	<b>\$ 377,000</b>
<b>Ending Balance - Unrestricted Reserves</b>	<b>\$ 404,638</b>	<b>\$ 405,812</b>	<b>\$ 495,835</b>	<b>\$ 886,850</b>	<b>\$ 978,551</b>	<b>\$ 988,672</b>
<b>Recommended Target Ending Balance - Unrestricted Reserves</b>	<b>\$ 1,029,000</b>	<b>\$ 931,000</b>	<b>\$ 956,000</b>	<b>\$ 981,000</b>	<b>\$ 1,008,000</b>	<b>\$ 1,036,000</b>
<b>Ending vs. Target - Annual Surplus/(Deficit)</b>	<b>\$ (624,362)</b>	<b>\$ (525,188)</b>	<b>\$ (460,165)</b>	<b>\$ (94,150)</b>	<b>\$ (29,449)</b>	<b>\$ (47,328)</b>
<b>Restricted Reserves:</b>						
<b>Debt Reserve</b>						
Beginning Reserve Balance	\$ 312,396	\$ 267,745	\$ 267,745	\$ 265,378	\$ -	\$ -
Less: Transfer of Surplus to Operating Reserve	(44,651)	-	(2,368)	(265,378)	-	-
<b>Ending Debt Fund Balance</b>	<b>\$ 267,745</b>	<b>\$ 267,745</b>	<b>\$ 265,378</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Target Ending Balance (Set by bond covenant)</b>	<b>\$ 267,745</b>	<b>\$ 267,745</b>	<b>\$ 265,378</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Annual Interest Earnings Rate<sup>4</sup></b>	<b>0.35%</b>	<b>0.35%</b>	<b>0.50%</b>	<b>0.75%</b>	<b>1.00%</b>	<b>1.25%</b>

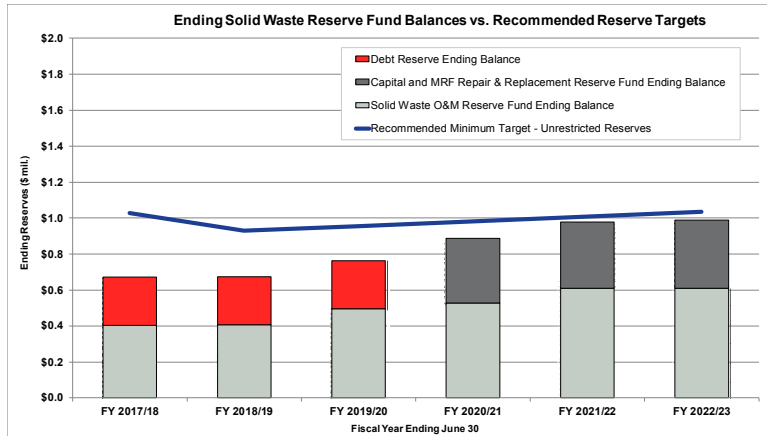
1. Total Beginning Unrestricted Fund balance for FY 2017/2018 is per City Staff. Source: staff email sent 2.21.18.

2. This reserve funds general CIP costs and MRF repair and replacement costs.

3. Source: VV CAFR 2016.pdf page 30 line "Capital Assets". \$2.36 million less: 7% for depreciation (Based on a 15 year expected life).

4. Interest earnings in FY 2018/19 equal to 5-year LAIF average (2011/12-2015/16). Interest earnings increase to 10-year LAIF average by FY 2022/23.

**Figure 2 – Summary of Solid Waste Reserve Fund Year-End Balances**



**Customer Classes and Rate Components** – The City’s solid waste rates are identified by customer classes that define the type of service (size of container and number of pickups per week) that each customer receives. The following are the various residential and commercial customer classes:

*Residential Classes* – Typical residential service (single-family and multi-family) is once per week collection of a 95-gallon trash container and 60-gallon recycling container. There are approximately 30,000 residential accounts. A smaller 35-gallon trash container is also available, and extra barrels are provided as requested. Table 4 shows the number of residential accounts.

*Commercial Classes* – The City’s commercial rate schedule includes a large variety of service based on container size and number of pickups per week; Table 5 summarizes the most common levels of service and container sizes, and Table 6 summarizes the number of commercial can accounts and roll-off/compactor accounts.

**Table 4 – Number of Residential Accounts**

Residential Service (Once/week)			
Type	Size	Frequency	Units
Single-Family Residential (SFR)	95 gal.	1	29,325
<i>SFR- Extra Green Cans</i>	<i>95 gal.</i>	<i>1</i>	<i>2,933</i>
<i>SFR- Extra Blue Cans</i>	<i>60 gal.</i>	<i>1</i>	<i>1,283</i>
<i>SFR-Hardship</i>	<i>95 gal.</i>	<i>1</i>	<i>365</i>
<b>Total Single-Family Accounts*</b>			<b>29,325</b>
Multi-Family Residential (MFR)	95 gal.	1	935
<i>MFR- Extra Green Cans</i>	<i>95 gal.</i>	<i>1</i>	<i>9</i>
<i>MFR- Extra Blue Cans</i>	<i>60 gal.</i>	<i>1</i>	<i>11</i>
<b>Total Multi-Family Accounts*</b>			<b>935</b>

\* Some accounts have more than one can.

**Table 5 – Number of Commercial Bins Accounts**

Commercial Bins (Most Common Service Levels - Partial List)			
Commodity	Size	Frequency	Quantity
Trash	1.5 CY	1/week	178
Trash	2.0 CY	1/week	125
Trash	3.0 CY	1/week	310
Trash	3.0 CY	2/week	184
Trash	3.0 CY	3/week	177
<b>Total Commercial Bins*</b>			<b>1,312</b>

\* Since this is a partial list, the total is higher than those listed here.

**Table 6 – Number of Commercial Can & Roll-off Accounts**

Commercial Service (Once/week)			
Type	Size	Frequency	Units
Commercial Cans	95 gal.	1	72
<i>Commercial Cans-Extra Green</i>	<i>95 gal.</i>	<i>1</i>	<i>4</i>
<i>Commercial Cans-Extra Blue</i>	<i>60 gal.</i>	<i>1</i>	<i>14</i>
Roll Off/Compactor Accounts	<i>Varies</i>	<i>Varies</i>	108

*Rate Components* – The following are the rate components included in the solid waste rates:

- Refuse Collection and Recycling charges, including bin rental (as defined in the City’s hauler agreement)
- Dump/Disposal charges (as per the Waste Delivery Agreement contract between the City and San Bernardino County)
- AB 939 fees covers Materials Recovery Facility related costs and participation in Mojave Desert & Mountain Recycling Authority
- Pavement Impact fees which recover a portion of the costs of street repair that is directly related to the impacts of refuse collection vehicles on the City’s streets
- Administrative fees (recovers miscellaneous administrative and program management costs)
- New Recycling/Diversion Program Costs, including an organics collection program (this is a new charge to recover the costs of a recent State-mandated commercial organics collection/processing program)
- Franchise fees are for a payment to the City’s General Fund as part of the hauler’s agreement and is currently set at 4% of the above fees and charges; the proposed fee is increased to 8%

Each of these fees have been examined and adjusted as needed to reflect inflation-related cost increases, agreement-related cost increases, and to account for new or increasing operational costs. Some costs, such as commercial organics program costs, only apply to commercial customers. The following is a summary of the adjustment factors considered in this analysis.

**Overview of Rate Adjustments** – Individual rates for each customer classes were adjusted as follows:

- Refuse and recycling *collection* service costs were adjusted based on the Consumer Price Index, as identified in the terms of the City’s contract with Victorville Disposal.
- Other solid waste and recycling program costs are allocated to residential and commercial customers based on the percentage of refuse that is attributable to the two different sectors -- residential and commercial. The current allocation is 54% residential and 46% commercial. Once the percentage of costs is determined for each sector, the residential rate is then further allocated based upon the most recent number of residential units (30,260 units) and the commercial rate is based on cubic yards per year (742,249 total cubic yards/year), including 511,851 cubic yards of trash and 230,398 cubic yards of recyclables.

**Summary of Adjustments to Rate Components** – The following are descriptions of how individual rate components were adjusted.<sup>1</sup>

<sup>1</sup> Additional notes related to MRF operations and maintenance and MRF bond payments are provided in the Appendix.

Refuse Collection and Recycling Components – Section 27(b) of the Refuse Services Contract between the City of Victorville and Victorville Disposal, dated November 23, 2009, provides:

*The maximum rates set forth in Attachment D, Customer Rate Schedule, shall be adjusted annually effective September 1<sup>st</sup> by an amount equal to the twelve (12) month mean average change in the Consumer Price Index for All Urban Consumers for Los Angeles-Riverside-Orange Counties as published by the United States Department of Labor, Bureau of Labor Statistics for the previous twelve (12) month period.*

The last adjustment to the customer rate was made in March 2008 to reflect the 2007 CPI. Therefore, the collection component of the solid waste rate needs to be raised by a total of 17.41% to reflect the compounded rate for CPI adjustments due for years FY 2008/09 through FY 2018/19, as detailed in the Appendix.

As a result of this adjustment, the residential refuse/recycling collection service cost will be \$15.52 per month, up from \$13.22/month previously. Commercial customers will also see a 17.41% increase in the refuse collection component. Actual dollar increases for commercial customers will vary, depending on their level of service. For a customer with a 3-cubic yard trash bin emptied once per week, the collection component, including bin rental, will be \$50.44 per month, up from \$42.96 per month previously.

Dump/Disposal Fees – The Dump/Disposal Fee component of the solid waste rate pays for the cost to dispose of residential and commercial waste collected by Victorville Disposal, as well as the cost to dispose of residue from the Victor Valley Materials Recovery Facility processing center. Refuse from City residents and businesses is disposed of at San Bernardino County's Victorville landfill per the terms of the December 1997 Waste Delivery Agreement between the City of Victorville and the County of San Bernardino (including subsequent amendments). Each July, the County adjusts the landfill rate for a cost of living increase as outlined in the Waste Delivery Agreement.

Costs are allocated to each customer class based on the tonnage disposed. The updated residential disposal fee is based on an average of 1.36 tons/year per household; the anticipated disposal rate of \$38.06 per ton and is calculated to be \$4.31 per household per month. The commercial disposal rate is based on an average of 96 pounds per cubic yard of trash and works out to \$2.34 per cubic yard, including a \$0.52/cubic yard fee for disposal of organics. Note that disposal fees are not assessed on commercial recycle bins.

AB 939/Recycling Program Costs – The AB 939 Fee covers the costs associated with the City's efforts to comply with California State Assembly Bill 939 and subsequent additional State mandated diversion programs. AB 939 was passed in 1989 and required all jurisdictions to develop and implement programs to divert 50% of waste from landfill by the year 2000 and beyond. To comply with this mandate, the City has implemented residential curbside and commercial recycling programs. In addition, the City partnered with the Town of Apple Valley to build the Victor Valley Materials Recovery Facility (MRF), a 38,000-square foot facility where recyclables from the City's curbside and commercial recycling programs are processed and made ready to ship to manufacturers.

The AB 939 Fee portion of the sanitation bill covers the City's portion of costs associated with the Victor Valley MRF, including the MRF debt service on bonds sold to construct the facility, as well as MRF operation and maintenance costs. The AB 939 Fee also includes the cost of the City's participation in the Mojave Desert & Mountain Recycling Authority. The AB 939 Fee for residential customers is 85 cents per month and 35 cents per cubic yard for commercial customers.

In prior years, the AB 939 Fee for commercial customers was only based on solid waste cubic yards and was charged on solid waste bins, however, it is now based on total solid waste and recycling cubic yardage and will be included in recycle bin costs, not just solid waste bin costs.

*New Recycling/Diversion Program Costs* – California State Law Assembly Bill (AB) 1826, Mandatory Commercial Organics Recycling, was enacted in 2014 with the goal of reducing the quantity of organic waste disposed in landfills. This law places mandates on local governments as well as individual businesses. Businesses are defined as “a commercial or public entity or a multi-family dwelling.” (Multi-family residential dwellings of 5 or more units must recycle their landscape wastes, but are not required to divert food waste.) Organic waste is defined as “food waste, greenwaste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste.”

The threshold for diverting organic waste by businesses changes between 2016 and 2019. Additionally, the law contains a 2020 trigger that will increase the scope of affected businesses, if waste reduction targets are not met. The implementation schedule is as follows:

- January 1, 2016: Local jurisdictions shall implement an organic waste recycling program appropriate for that jurisdiction. Jurisdictions shall conduct outreach, education to inform businesses how to recycle organic waste within the jurisdiction, and monitoring to identify those not recycling and inform them of the law and how to recycle organic waste.
- April 1, 2016: Businesses generating eight or more cubic yards per week of organic waste shall arrange for organic waste recycling services.
- January 1, 2017: Businesses generating four or more cubic yards per week of organic waste shall arrange for organic waste recycling services.
- January 1, 2019: Businesses that generate four or more cubic yards of commercial solid waste shall arrange for organic waste recycling services.
- Fall 2020: After receipt of the 2019 Annual Reports submitted on August 2020, CalRecycle shall conduct its formal review of all jurisdictions.
- Summer/Fall 2021: If CalRecycle determines that the statewide disposal of organic waste in 2020 has not been reduced by 50% of the 2014 level of disposal, the organic recycling requirements on businesses will expand to include businesses that generate two or more cubic yards per week of solid waste.

To date, City of Victorville staff has made strides to comply with AB 1826 by identifying and notifying impacted businesses, and the City has partnered with Victorville Disposal and the Town of Apple Valley on the development of a composting facility adjacent to the Victor Valley MRF<sup>2</sup>. However, the City has not yet implemented commercial organics collection, and was among several local jurisdictions to which the California State Department of Resources Recycling and Recovery (CalRecycle) recently sent a letter advising the City to submit a plan to address the lack of a commercial organics collection program. City staff submitted this plan to CalRecycle on February 8, 2018. If CalRecycle is not satisfied with the plan or if the City fails to follow the plan to implement a program, it will be referred to CalRecycle’s Jurisdictional Compliance Unit for further compliance action.

The City has received proposed rates from Burrtec for commercial organics collection. To implement the commercial organics collection program, the proposed rates include a fee of 8 cents per cubic yard on all solid waste customers starting in FY 18/19, and an additional fee of 5 cents per cubic yard in FY 2019/20. This will allow organics collection service to be provided at the same cost as regular solid waste services bin customers.

*Administrative Fees* – This fee component covers the cost for City administration of solid waste and recycling programs, as well as customer service and billing functions. (Customer service and billing costs are split between solid waste and water budgets.) The Administrative Fees portion of the rate works out to be \$3.43 per month for residential accounts and \$1.43 per cubic yard for commercial customers.

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<sup>2</sup> The composting facility is still awaiting final permits before construction can commence.



Pavement Impact Fee – The City has completed an analysis of the pavement damage associated with the provision of solid waste and recycling services and determined that a portion of the cost of street repairs related to the impact of collection vehicles on local streets will be collected through this new rate component in the amount of \$506,000 per year. Residential customers were allocated 54% of this cost vs. 46% to commercial customers based on their respective percentages of waste stream tonnages. Residential costs will be collected on a per-account rate of \$0.75/month and commercial rates of \$0.31/cubic yard.

Franchise Fees – The City’s franchise fee is currently set at 4% of the total solid waste rate. Franchise fees go to the City’s General Fund and may be used for general City expenses. A review of franchise fees for other jurisdictions revealed the City franchise fee was low compared to other communities.

<u>Jurisdiction</u>	<u>Franchise Fee</u>	<u>Notes</u>
Apple Valley	18%	Percent of the collection component
Barstow	10%	Percent of the total rate
Hesperia	10%	Percent of the total rate
Fontana	12%	Percent of the total rate
Rancho Cucamonga	15%	Percent of the total rate

The current rate analysis has assumed that the Franchise Fee will be increased to 8%, up from the current figure of 4% of the total rate. In the City’s FY 2017-18 budget, \$516,000 is expected to be collected from the franchise fee; based on an increase to 8% this is expected to increase to approximately \$1,032,000 in FY 2018-19. This increase will offset the costs of the illegal dump abatement program and allow the City to expand mitigation efforts.

**Summary of Rate Component Escalators** – Various inflation and cost related adjustments included:

*Residential and Commercial Can Rates:*

<b>Fiscal Year 2018/2019</b>	
17.41% Increase for Collection (2008-17 CPI)	
\$4.31 Disposal Cost (in \$/mo.) reset for '18/19	
8.00% Franchise Fee	
2.70% Annual Increase for AB 939 Fee (Resid.)	
2.80% Annual Increase for City Admin Fee (CPI)	
\$3.43 Residential City Admin Fee (in \$/acct/mo.)	} From City Analysis of Program costs
\$0.85 Residential AB 939 Fee (\$/acct/mo.)	
\$0.35 Commercial AB 939 Fee (\$/acct/mo.)	
\$0.08 New Comm. Organics Program (in \$/CY/week)	
\$0.75 Pavement Impact Fee for Resid. = \$0.75/mo.	

*Commercial Bins Rates:*

<b>Fiscal Year 2018/2019</b>	
17.41% Annual Increase for Collection	
\$2.34 Disposal Cost in \$/CY, reset for '18/19	
8.00% Franchise Fee	
\$1.43 City Admin Fee (in \$/CY/week)	} From City Analysis of Program costs
\$0.08 New Organics Program (in \$/CY/week)	
\$0.35 AB 939 Fee (\$/CY/week)	
\$0.31 Pavement Impact Fee for Comm.= \$0.31/CY	

Similar adjustments were made for other customer classes (e.g., roll-offs, recycling, and commercial compactor bins). Also, because of the City’s relatively low 4% franchise fee, a higher 8% fee was used to bring the City’s fee more in line with similar cities in the region.

## RESULTS OF THE RATE ANALYSIS

Because rates have not been raised since 2008, the proposed first year increase to customers will be significant. For residential customers, the monthly rate will increase by \$6.68 per month (33%) and for a commercial customer with a three (3) cubic yard bin collected once a week, the increase will be \$25.89 (28%) per month. The reason for the large rate first year increase is to bring the rate into line with current expenses. The increases are due primarily to: 1) collection/hauling costs for Victorville Disposal, 2) administrative costs, 3) the new pavement impact fee, and 4) increased franchise fees. Landfill disposal and AB 939/MRF cost components have remained fairly stable. The collection/hauling cost increases are to account for CPI/Cost of Living increases per the terms of the contract with Victorville Disposal. City expenses have increased as a result inflation on personnel costs and increased cost allocations for central services. The franchise fee is proposed to increase from four percent (4%) to eight (8%) of the total rate to offset the costs and expand efforts associated with illegal dump abatement.

As a result of the individual adjustments to each of the rate components for each customer class, each rate was recalculated; those results are documented in the Appendix. After adding all the fee components noted above, the new monthly refuse bills are shown in Tables 7 and 8:

<b>Table 7 RESIDENTIAL—Solid Waste Services—Rates Per Month</b>				
<b>Component</b>	<b>Current Rate (2008)</b>	<b>Proposed Rate</b>	<b>\$ Change vs. 2008</b>	<b>% Change vs. 2008</b>
Refuse/Recycling Collection	\$13.22	\$15.52	\$2.30	17%
Disposal	\$4.29	\$4.31	\$0.02	0%
AB 939 (MRF)	\$0.76	\$0.85	\$0.09	12%
City Costs/Admin	\$1.10	\$3.43	\$2.33	212%
Pavement Impact	N.A.	\$0.75	N.A.	N.A.
Franchise	\$0.80	\$1.99	\$1.19	149%
<b>Total</b>	<b>\$20.17</b>	<b>\$26.85</b>	<b>\$6.68</b>	<b>33%</b>

<b>Table 8 COMMERCIAL—Solid Waste Service, 3 CY Bin Monthly Rates for 1X/Week Collection</b>				
<b>Component</b>	<b>Current Rate (2008)</b>	<b>Proposed Rate</b>	<b>\$ Change vs. 2008</b>	<b>% Change vs. 2008</b>
Collection, Incl. Bin Rental	\$42.96	\$50.44	\$7.48	17%
Mandatory Commercial Organics Collection Equalized Rate	\$0.00	\$1.04	\$1.04	N/A
Disposal	\$31.85	\$30.42	-\$1.43	-4%
AB 939 (MRF)	\$7.02	\$4.55	-\$2.47	-35%
City Costs/Admin	\$6.45*	\$18.59	\$12.14	188%
Pavement Impact	N.A.	\$4.03	N.A.	N.A.
Franchise	\$3.63	\$8.73	\$5.09	140%
<b>Total</b>	<b>\$91.91</b>	<b>\$117.80</b>	<b>\$25.89</b>	<b>28%</b>

\* Rounded to make total accurate.

Table 9 summarizes the rates for the most common service levels and Table 10 summarizes the effective rate increases (the total year-over-year percent increase). Since most of the significant adjustments to these rates were made in FY 2018/19, those rates reflect significant percentage increases; subsequent years are more representative of normal inflationary increases.

**Table 9 – Summary of Current and Projected Solid Waste Rates**

Effective Rate Increases (sum of all rate components)						
Customer Class	Current Rates	Projected				
		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Single Family Residential	\$20.17	\$26.85	\$27.95	\$28.86	\$29.80	\$30.77
Multi-Family Residential	\$20.17	\$26.85	\$27.95	\$28.86	\$29.80	\$30.77
Commercial Can	\$29.20	\$33.64	\$35.33	\$36.49	\$37.70	\$38.95
Commercial Bin (3.0 CY Bin, 1 Pickup/week)	\$91.91	\$117.80	\$122.15	\$125.99	\$129.96	\$134.05
Commercial Compactor Bin (1.5 CY, 1 Pickup/week)	\$82.81	\$100.81	\$104.05	\$107.05	\$110.15	\$113.34
Commercial Recycling (3 CY Bin, 1 Pickup/week)	\$53.04	\$83.82	\$86.65	\$89.58	\$92.62	\$95.77
Roll-offs (10 CY Roll-Off, 1 Pickup/week)	\$671.34	\$757.33	\$783.49	\$810.58	\$838.62	\$867.65

These are only the most common types of accounts; others are shown in the Appendix.

**Table 10 – Summary of Current and Projected Solid Waste Rates- Percent Increase from Prior Year**

Effective Rate Increases (sum of all rate components)						
Customer Class	Projected					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	
Single Family Residential	33.1%	4.1%	3.3%	3.3%	3.3%	
Multi-Family Residential	33.1%	4.1%	3.3%	3.3%	3.3%	
Commercial Can	15.2%	5.0%	3.3%	3.3%	3.3%	
Commercial Bin (3.0 CY Bin, 1 Pickup/week)	28.2%	3.7%	3.1%	3.1%	3.2%	
Commercial Compactor Bin (1.5 CY, 1 Pickup/week)	21.7%	3.2%	2.9%	2.9%	2.9%	
Commercial Recycling (3 CY Bin, 1 Pickup/week)	58.0%*	3.4%	3.4%	3.4%	3.4%	
Roll-offs (10 CY Roll-Off, 1 Pickup/week)	12.8%	3.5%	3.5%	3.5%	3.5%	

\*Note: Commercial Recycling goes up by more than other rates due to the addition of Admin. and AB 939 Fees.

**Table 11 – Summary of Current and Projected Solid Waste Rates- Dollar Increase from Prior Year**

Dollar Increase from Previous Year						
Customer Class	Projected					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	
Single Family Residential	\$6.68	\$1.10	\$0.91	\$0.94	\$0.97	
Multi-Family Residential	\$6.68	\$1.10	\$0.91	\$0.94	\$0.97	
Commercial Can	\$4.44	\$1.69	\$1.16	\$1.20	\$1.25	
Commercial Bin (3.0 CY Bin, 1 Pickup/week)	\$25.89	\$4.35	\$3.84	\$3.97	\$4.10	
Commercial Compactor Bin (1.5 CY, 1 Pickup/week)	\$18.01	\$3.24	\$3.00	\$3.10	\$3.19	
Commercial Recycling (3 CY Bin, 1 Pickup/week)	\$30.78	\$2.83	\$2.93	\$3.04	\$3.15	
Roll-offs (10 CY Roll-Off, 1 Pickup/week)	\$85.98	\$26.16	\$27.09	\$28.04	\$29.03	

Table 12 below provides an overview of comparable rates in similar cities in the region. Victorville’s rates, even after the increase, are still low in comparison to surrounding communities with the exception of Barstow. (Barstow residential rates were last raised in 2007 and are below actual costs.)

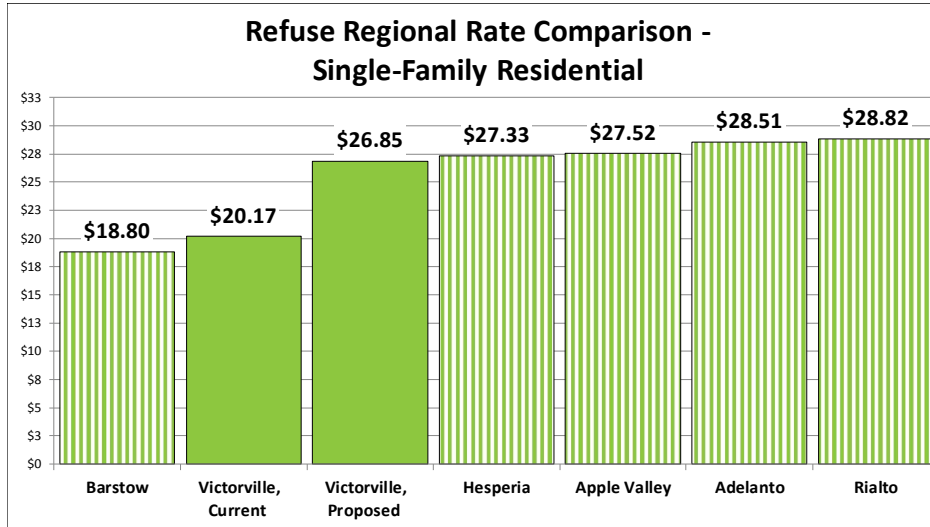
**Table 12 – Comparison of Rates for Other Local Jurisdictions**

SOLID WASTE RATE COMPARISON (As of January 2018)						
Size	Victorville <sup>1</sup>	Adelanto <sup>1,2</sup>	Apple Valley <sup>1,3</sup>	Barstow <sup>1,4</sup>	Hesperia <sup>5</sup>	Rialto
35/40 Gallon	\$22.31	\$25.00	\$23.71			\$27.50
65 Gallon		\$26.28	\$24.99			\$28.82
95 Gallon	\$26.85	\$28.51	\$27.52	\$18.80	\$27.33	N/A

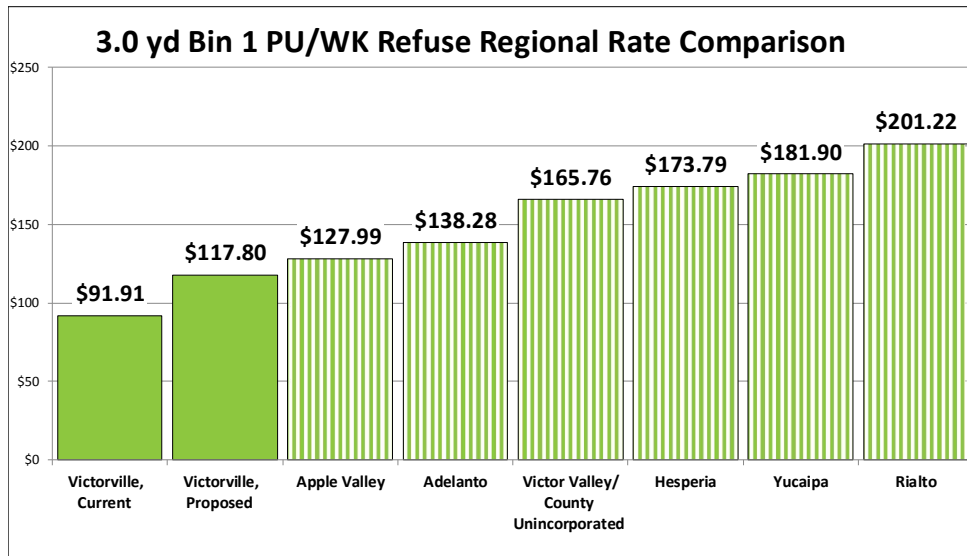
1. Includes Weekly Trash Barrel and Recycle Barrel.
2. Service billed Yearly a property taxes.
3. Billed bi-monthly
4. Rates are below cost. Last Increased in 2007.
5. Includes trash, recycle and greenwaste collection.

Figures 3 and 4 below illustrate rate comparisons for single-family and commercial bin collection rates for similar communities in the region.

**Figure 3 – Comparison of Single-Family Rates for Other Local Jurisdictions**



**Figure 4 – Comparison of Commercial Rates for Other Local Jurisdictions**



**Rate Model** – NBS and City staff worked closely together to develop a rate model to evaluate the three rate study components, as discussed in Rate Study Methodology. The result is an Excel-based rate model that incorporates the analysis and the recommended rates. This model provides the full documentation of the rate analysis, along with detailed rate schedules for each customer class and level of service. The recommended rates are provided in the Appendix attached to this memo.

## **FINDINGS AND RECOMMENDATIONS**

The following are the primary findings and recommendations resulting from this rate analysis. NBS is available for questions about the rate analysis and rate calculations.

**Summary of Findings** – The City’s solid waste rates have not been adjusted since 2008 and need to incorporate increases in costs and escalator factors associated with rate components, such as the CPI escalator under the City’s hauler collection agreement with Victorville Disposal. This study has evaluated the various factors that are a part of this adjustment process, and the recommended rates are those that are necessary to adequately fund the City’s solid waste utility and meet contracted service costs.

**Recommendations** – The following are the actions that NBS, in consultation with City staff, recommend the City take regarding the solid waste rates:

- Review the results of this study and consider proceeding with the adoption process to implement these recommended rates.
- Approve the proposed new rates and formally adopt the recommended reserve fund level as part of the rate resolution.
- Have the City’s legal counsel review the proposed rates and Proposition 218 (Prop 218) notices to ensure that they comply with existing statutes and legal requirements.
- Direct City staff to proceed with sending out Prop 218 notices to begin the protest ballot process required under State law prior to formal adoption and implementation of these rates.
- After a minimum of 45 days after the initial mailing of the Prop 218 notices, determine if less than 50 percent of protest ballots were submitted. Assuming less than 50 percent of the eligible protest ballots were received, adopt the proposed rates in a public hearing.
- Assuming rates are adopted, direct staff to implement the new rates, with an effective date of July 1, 2018.

## **NBS’ PRINCIPAL ASSUMPTIONS AND CONSIDERATIONS**

In preparing this memo and the findings included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial and operational matters, including Victorville’s billing records, accounting reports, City program cost analyses, and other conditions and events projected to occur in the future. We have assumed this information and these assumptions were provided by sources that are reliable; NBS has not independently verified this data.

While we believe NBS’ use of such information and assumptions is reasonable for the purpose of this rate study, memo and its findings, some assumptions will invariably not materialize as stated herein or may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

**APPENDIX – DETAILED RATE SCHEDULES**

SOLID WASTE RATE SCHEDULE	Current Rates	Proposed Monthly Rates				
		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Single- and Multi-Family and Comm. Carts</b>						
95 gal Solid Waste, 60 gal recycling	\$20.17	\$26.85	\$27.95	\$28.86	\$29.80	\$30.77
35 gal Solid Waste, 60 gal recycling	\$17.42	\$22.31	\$23.07	\$23.85	\$24.66	\$25.50
Additional 95-gallon Trash Container	\$11.02	\$12.21	\$12.81	\$13.21	\$13.62	\$14.05
Additional 60-gallon Recycling Container*	\$1.34	\$1.57	\$1.63	\$1.69	\$1.74	\$1.81
Hardship Rate (95 gal Solid Waste, 60 gal recyc.)**	\$18.18	\$21.85	\$22.55	\$23.27	\$24.01	\$24.78
Hardship Rate (35 gal Solid Waste, 60 gal recyc.)**	\$15.43	\$18.52	\$19.15	\$19.80	\$20.47	\$21.17
<b>Commercial Cans</b>						
95 gal Solid Waste, 60 gal recycling	\$29.20	\$33.64	\$35.33	\$36.49	\$37.70	\$38.95
Additional 95-gallon Trash Container	\$11.02	\$9.76	\$10.23	\$10.57	\$10.93	\$11.30
Additional 60-gallon Recycling Container	\$1.34	\$1.57	\$1.89	\$1.69	\$1.74	\$1.81
<b>Miscellaneous Charges:***</b>						
Late Set Out/Return Trip-Trash or Recycle	\$15.00	\$17.61	\$18.23	\$18.87	\$19.53	\$20.21
Contaminated Recycle, Empty as Trash	\$15.00	\$18.79	\$19.44	\$20.12	\$20.83	\$21.56
Change size/number of carts (in excess of once/year)	\$25.00	\$29.35	\$30.38	\$31.44	\$32.54	\$33.68

\* The first additional recycling can is free; this charge applies to more than 2 recycling cans.

\*\* Only if granted by the City; applies only to single-family accounts.

\*\*\* Applies to both residential and commercial can service.

SOLID WASTE RATE SCHEDULE		Current Rates	Proposed Monthly Rates				
Commercial Bins			FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Bin Size (CY)	Pick ups/week						
1.5	1	\$46.99	\$59.96	\$62.18	\$64.13	\$66.16	\$68.25
1.5	2	\$88.72	\$114.52	\$118.76	\$122.48	\$126.32	\$130.29
1.5	3	\$130.45	\$169.08	\$175.35	\$180.83	\$186.49	\$192.34
1.5	4	\$172.18	\$223.64	\$231.93	\$239.17	\$246.66	\$254.39
1.5	5	\$213.91	\$278.20	\$288.51	\$297.52	\$306.82	\$316.44
1.5	6	\$255.64	\$332.76	\$345.10	\$355.86	\$366.99	\$378.48
1.5	7	\$297.37	\$387.32	\$401.68	\$414.21	\$427.15	\$440.53
1.5	8	\$339.10	\$441.88	\$458.27	\$472.56	\$487.32	\$502.58
1.5	9	\$380.83	\$496.44	\$514.85	\$530.90	\$547.49	\$564.62
2	1	\$62.14	\$79.42	\$82.36	\$84.95	\$87.62	\$90.39
2	2	\$117.78	\$152.17	\$157.80	\$162.74	\$167.85	\$173.12
2	3	\$173.42	\$224.91	\$233.25	\$240.54	\$248.07	\$255.85
2	4	\$229.06	\$297.66	\$308.69	\$318.33	\$328.29	\$338.58
2	5	\$284.70	\$370.41	\$384.14	\$396.13	\$408.51	\$421.31
2	6	\$340.34	\$443.15	\$459.59	\$473.92	\$488.73	\$504.04
2	7	\$395.98	\$515.90	\$535.03	\$551.72	\$568.95	\$586.77
2	8	\$451.62	\$588.64	\$610.48	\$629.51	\$649.18	\$669.50
2	9	\$507.26	\$661.39	\$685.92	\$707.30	\$729.40	\$752.23
3	1	\$91.91	\$117.80	\$122.15	\$125.99	\$129.96	\$134.05
3	2	\$175.37	\$226.92	\$235.32	\$242.68	\$250.29	\$258.15
3	3	\$258.83	\$336.04	\$348.49	\$359.37	\$370.62	\$382.24
3	4	\$342.29	\$445.15	\$461.66	\$476.07	\$490.95	\$506.34
3	5	\$425.75	\$554.27	\$574.83	\$592.76	\$611.29	\$630.43
3	6	\$509.21	\$663.39	\$688.00	\$709.45	\$731.62	\$754.52
3	7	\$592.67	\$772.51	\$801.17	\$826.14	\$851.95	\$878.62
3	8	\$676.13	\$881.63	\$914.34	\$942.83	\$972.28	\$1,002.71
3	9	\$759.59	\$990.75	\$1,027.50	\$1,059.53	\$1,092.62	\$1,126.81
4	1	\$124.28	\$158.84	\$164.71	\$169.89	\$175.25	\$180.78
4	2	\$235.56	\$304.34	\$315.60	\$325.48	\$335.69	\$346.24
4	3	\$346.84	\$449.83	\$466.50	\$481.07	\$496.13	\$511.70
4	4	\$458.12	\$595.32	\$617.39	\$636.66	\$656.58	\$677.16
4	5	\$569.40	\$740.81	\$768.28	\$792.25	\$817.02	\$842.62
4	6	\$680.68	\$886.30	\$919.17	\$947.84	\$977.46	\$1,008.08
4	7	\$791.96	\$1,031.80	\$1,070.06	\$1,103.43	\$1,137.91	\$1,173.53
4	8	\$903.24	\$1,177.29	\$1,220.96	\$1,259.02	\$1,298.35	\$1,338.99
4	9	\$1,014.52	\$1,322.78	\$1,371.85	\$1,414.61	\$1,458.80	\$1,504.45

SOLID WASTE RATE SCHEDULE		Current Rates	Proposed Monthly Rates*				
Solid Waste Roll-Offs			FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Bin Size (CY)	Pick ups/week						
10	1	\$671.34	\$757.33	\$783.49	\$810.58	\$838.62	\$867.65
10	2	\$1,336.86	\$1,514.66	\$1,566.98	\$1,621.15	\$1,677.24	\$1,735.30
10	3	\$2,002.37	\$2,271.98	\$2,350.47	\$2,431.73	\$2,515.85	\$2,602.95
10	4	\$2,667.88	\$3,029.31	\$3,133.96	\$3,242.31	\$3,354.47	\$3,470.59
10	5	\$3,333.40	\$3,786.64	\$3,917.45	\$4,052.88	\$4,193.09	\$4,338.24
10	6	\$3,998.91	\$4,543.97	\$4,700.95	\$4,863.46	\$5,031.71	\$5,205.89
10	7	\$4,664.42	\$5,301.30	\$5,484.44	\$5,674.03	\$5,870.32	\$6,073.54
10	8	\$5,329.94	\$6,058.63	\$6,267.93	\$6,484.61	\$6,708.94	\$6,941.19
10	9	\$5,995.45	\$6,815.95	\$7,051.42	\$7,295.19	\$7,547.56	\$7,808.84
10	1x/mo.	\$159.41	\$174.77	\$180.81	\$187.06	\$193.53	\$200.23
10	E/O WK	\$338.59	\$378.66	\$391.75	\$405.29	\$419.31	\$433.82
20	1	\$694.74	\$855.14	\$884.38	\$914.66	\$946.02	\$978.49
20	2	\$1,383.66	\$1,710.28	\$1,768.76	\$1,829.32	\$1,892.04	\$1,956.97
20	3	\$2,072.57	\$2,565.42	\$2,653.15	\$2,743.99	\$2,838.05	\$2,935.46
20	4	\$2,761.48	\$3,420.56	\$3,537.53	\$3,658.65	\$3,784.07	\$3,913.95
20	5	\$3,450.40	\$4,275.70	\$4,421.91	\$4,573.31	\$4,730.09	\$4,892.43
20	6	\$4,139.31	\$5,130.84	\$5,306.29	\$5,487.97	\$5,676.11	\$5,870.92
20	7	\$4,828.22	\$5,985.98	\$6,190.68	\$6,402.64	\$6,622.12	\$6,849.41
20	8	\$5,517.14	\$6,841.12	\$7,075.06	\$7,317.30	\$7,568.14	\$7,827.89
20	9	\$6,206.05	\$7,696.26	\$7,959.44	\$8,231.96	\$8,514.16	\$8,806.38
20	1x/mo.	\$164.81	\$197.34	\$204.09	\$211.08	\$218.31	\$225.80
20	E/O WK	\$350.29	\$427.57	\$442.19	\$457.33	\$473.01	\$489.24
30	1	\$718.14	\$952.95	\$985.27	\$1,018.75	\$1,053.42	\$1,089.33
30	2	\$1,430.46	\$1,905.90	\$1,970.55	\$2,037.50	\$2,106.84	\$2,178.65
30	3	\$2,142.77	\$2,858.86	\$2,955.82	\$3,056.25	\$3,160.25	\$3,267.98
30	4	\$2,855.08	\$3,811.81	\$3,941.09	\$4,074.99	\$4,213.67	\$4,357.30
30	5	\$3,567.40	\$4,764.76	\$4,926.37	\$5,093.74	\$5,267.09	\$5,446.63
30	6	\$4,279.71	\$5,717.71	\$5,911.64	\$6,112.49	\$6,320.51	\$6,535.95
30	7	\$4,992.02	\$6,670.67	\$6,896.92	\$7,131.24	\$7,373.93	\$7,625.28
30	8	\$5,704.34	\$7,623.62	\$7,882.19	\$8,149.99	\$8,427.34	\$8,714.60
30	9	\$6,416.65	\$8,576.57	\$8,867.46	\$9,168.74	\$9,480.76	\$9,803.93
30	1x/mo.	\$170.21	\$219.91	\$227.37	\$235.10	\$243.10	\$251.38
30	E/O WK	\$361.99	\$476.48	\$492.64	\$509.37	\$526.71	\$544.66
40	1	\$741.54	\$1,050.76	\$1,086.17	\$1,122.83	\$1,160.82	\$1,200.16
40	2	\$1,477.26	\$2,101.53	\$2,172.33	\$2,245.67	\$2,321.64	\$2,400.33
40	3	\$2,212.97	\$3,152.29	\$3,258.50	\$3,368.50	\$3,482.45	\$3,600.49
40	4	\$2,948.68	\$4,203.06	\$4,344.66	\$4,491.34	\$4,643.27	\$4,800.65
40	5	\$3,684.40	\$5,253.82	\$5,430.83	\$5,614.17	\$5,804.09	\$6,000.82
40	6	\$4,420.11	\$6,304.59	\$6,516.99	\$6,737.01	\$6,964.91	\$7,200.98
40	7	\$5,155.82	\$7,355.35	\$7,603.16	\$7,859.84	\$8,125.73	\$8,401.14
40	8	\$5,891.54	\$8,406.11	\$8,689.32	\$8,982.68	\$9,286.54	\$9,601.31
40	9	\$6,627.25	\$9,456.88	\$9,775.49	\$10,105.51	\$10,447.36	\$10,801.47
40	1x/mo.	\$175.61	\$242.48	\$250.65	\$259.12	\$267.88	\$276.96
40	E/O WK	\$373.69	\$525.38	\$543.08	\$561.42	\$580.41	\$600.08

\* Disposal costs will be charged based on actual tonnage charges determine at the landfill or other disposal/recycling site, plus Franchise Fee.



SOLID WASTE RATE SCHEDULE		Current Rates	Proposed Monthly Rates				
Comm. Bins/Roll Offs - Recycling			FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Bin Size (CY)	Pick ups/week						
1.5	1	\$27.56	\$42.97	\$44.43	\$45.93	\$47.49	\$49.10
1.5	2	\$49.85	\$80.54	\$83.26	\$86.07	\$88.99	\$92.01
1.5	3	\$72.15	\$118.12	\$122.09	\$126.22	\$130.49	\$134.91
1.5	4	\$94.44	\$155.69	\$160.93	\$166.36	\$171.99	\$177.81
1.5	5	\$116.74	\$193.26	\$199.76	\$206.50	\$213.48	\$220.72
1.5	6	\$139.03	\$230.83	\$238.60	\$246.65	\$254.98	\$263.62
1.5	7	\$161.33	\$268.40	\$277.43	\$286.79	\$296.48	\$306.52
1.5	8	\$183.62	\$305.97	\$316.27	\$326.93	\$337.98	\$349.42
1.5	9	\$205.92	\$343.54	\$355.10	\$367.08	\$379.48	\$392.33
2	1	\$36.23	\$56.77	\$58.69	\$60.68	\$62.73	\$64.87
2	2	\$65.95	\$106.87	\$110.47	\$114.20	\$118.07	\$122.07
2	3	\$95.68	\$156.96	\$162.25	\$167.72	\$173.40	\$179.27
2	4	\$125.41	\$207.06	\$214.03	\$221.25	\$228.73	\$236.48
2	5	\$155.13	\$257.15	\$265.81	\$274.77	\$284.06	\$293.68
2	6	\$184.86	\$307.24	\$317.59	\$328.30	\$339.39	\$350.89
2	7	\$214.59	\$357.34	\$369.36	\$381.82	\$394.72	\$408.09
2	8	\$244.31	\$407.43	\$421.14	\$435.35	\$450.06	\$465.29
2	9	\$274.04	\$457.53	\$472.92	\$488.87	\$505.39	\$522.50
3	1	\$53.04	\$83.82	\$86.65	\$89.58	\$92.62	\$95.77
3	2	\$97.63	\$158.96	\$164.32	\$169.87	\$175.62	\$181.57
3	3	\$142.22	\$234.11	\$241.99	\$250.16	\$258.62	\$267.38
3	4	\$186.81	\$309.25	\$319.66	\$330.44	\$341.61	\$353.18
3	5	\$231.40	\$384.39	\$397.33	\$410.73	\$424.61	\$438.99
3	6	\$275.99	\$459.53	\$475.00	\$491.02	\$507.61	\$524.80
3	7	\$320.58	\$534.67	\$552.67	\$571.30	\$590.61	\$610.60
3	8	\$365.17	\$609.82	\$630.33	\$651.59	\$673.60	\$696.41
3	9	\$409.76	\$684.96	\$708.00	\$731.87	\$756.60	\$782.22
4	1	\$72.45	\$113.54	\$117.38	\$121.35	\$125.47	\$129.73
4	2	\$131.91	\$213.73	\$220.94	\$228.40	\$236.13	\$244.14
4	3	\$191.36	\$313.92	\$324.50	\$335.45	\$346.79	\$358.55
4	4	\$250.81	\$414.11	\$428.05	\$442.50	\$457.46	\$472.96
4	5	\$310.27	\$514.30	\$531.61	\$549.55	\$568.12	\$587.36
4	6	\$369.72	\$614.49	\$635.17	\$656.59	\$678.79	\$701.77
4	7	\$429.17	\$714.68	\$738.73	\$763.64	\$789.45	\$816.18
4	8	\$488.63	\$814.87	\$842.29	\$870.69	\$900.11	\$930.59
4	9	\$548.08	\$915.06	\$945.85	\$977.74	\$1,010.78	\$1,045.00

SOLID WASTE RATE SCHEDULE Comm. Bins/Roll Offs - Recycling (Cont.)		Current Rates	Proposed Monthly Rates				
			FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Bin Size (CY)	Pick ups/week						
20	1	\$642.11	\$855.14	\$884.38	\$914.66	\$946.02	\$978.49
20	2	\$1,284.23	\$1,710.28	\$1,768.76	\$1,829.32	\$1,892.04	\$1,956.97
20	3	\$1,926.34	\$2,565.42	\$2,653.15	\$2,743.99	\$2,838.05	\$2,935.46
20	4	\$2,568.45	\$3,420.56	\$3,537.53	\$3,658.65	\$3,784.07	\$3,913.95
20	5	\$3,210.57	\$4,275.70	\$4,421.91	\$4,573.31	\$4,730.09	\$4,892.43
20	6	\$3,852.68	\$5,130.84	\$5,306.29	\$5,487.97	\$5,676.11	\$5,870.92
20	7	\$4,494.79	\$5,985.98	\$6,190.68	\$6,402.64	\$6,622.12	\$6,849.41
20	8	\$5,136.91	\$6,841.12	\$7,075.06	\$7,317.30	\$7,568.14	\$7,827.89
20	9	\$5,779.02	\$7,696.26	\$7,959.44	\$8,231.96	\$8,514.16	\$8,806.38
20	1x/mo	\$0.00	\$197.34	\$53.01	\$54.70	\$56.46	\$58.29
20	E/O Week	\$0.00	\$427.57	\$114.85	\$118.52	\$122.33	\$126.29
30	1	\$642.11	\$952.95	\$985.27	\$1,018.75	\$1,053.42	\$1,089.33
30	2	\$1,284.23	\$1,905.90	\$1,970.55	\$2,037.50	\$2,106.84	\$2,178.65
30	3	\$1,926.34	\$2,858.86	\$2,955.82	\$3,056.25	\$3,160.25	\$3,267.98
30	4	\$2,568.45	\$3,811.81	\$3,941.09	\$4,074.99	\$4,213.67	\$4,357.30
30	5	\$3,210.57	\$4,764.76	\$4,926.37	\$5,093.74	\$5,267.09	\$5,446.63
30	6	\$3,852.68	\$5,717.71	\$5,911.64	\$6,112.49	\$6,320.51	\$6,535.95
30	7	\$4,494.79	\$6,670.67	\$6,896.92	\$7,131.24	\$7,373.93	\$7,625.28
30	8	\$5,136.91	\$7,623.62	\$7,882.19	\$8,149.99	\$8,427.34	\$8,714.60
30	9	\$5,779.02	\$8,576.57	\$8,867.46	\$9,168.74	\$9,480.76	\$9,803.93
30	1x/mo	\$0.00	\$219.91	\$227.37	\$235.10	\$243.10	\$251.38
30	E/O Week	\$0.00	\$476.48	\$492.64	\$509.37	\$526.71	\$544.66
40	1	\$642.11	\$1,050.76	\$1,086.17	\$1,122.83	\$1,160.82	\$1,200.16
40	2	\$1,284.23	\$2,101.53	\$2,172.33	\$2,245.67	\$2,321.64	\$2,400.33
40	3	\$1,926.34	\$3,152.29	\$3,258.50	\$3,368.50	\$3,482.45	\$3,600.49
40	4	\$2,568.45	\$4,203.06	\$4,344.66	\$4,491.34	\$4,643.27	\$4,800.65
40	5	\$3,210.57	\$5,253.82	\$5,430.83	\$5,614.17	\$5,804.09	\$6,000.82
40	6	\$3,852.68	\$6,304.59	\$6,516.99	\$6,737.01	\$6,964.91	\$7,200.98
40	7	\$4,494.79	\$7,355.35	\$7,603.16	\$7,859.84	\$8,125.73	\$8,401.14
40	8	\$5,136.91	\$8,406.11	\$8,689.32	\$8,982.68	\$9,286.54	\$9,601.31
40	9	\$5,779.02	\$9,456.88	\$9,775.49	\$10,105.51	\$10,447.36	\$10,801.47
40	1x/mo	\$0.00	\$242.48	\$250.65	\$259.12	\$267.88	\$276.96
40	E/O Week	\$0.00	\$525.38	\$543.08	\$561.42	\$580.41	\$600.08

SOLID WASTE RATE SCHEDULE Compactor Boxes		Current Rates	Proposed Monthly Rates*				
			FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Bin Size (CY)	Pick ups/week						
10	1	\$928.18	\$1,021.13	\$1,056.52	\$1,093.16	\$1,131.09	\$1,170.36
10	2	\$1,850.53	\$2,042.25	\$2,113.04	\$2,186.33	\$2,262.19	\$2,340.72
10	3	\$2,772.88	\$3,063.38	\$3,169.56	\$3,279.49	\$3,393.28	\$3,511.09
10	4	\$3,695.23	\$4,084.50	\$4,226.09	\$4,372.65	\$4,524.38	\$4,681.45
10	5	\$4,617.58	\$5,105.63	\$5,282.61	\$5,465.82	\$5,655.47	\$5,851.81
10	6	\$5,539.93	\$6,126.76	\$6,339.13	\$6,558.98	\$6,786.57	\$7,022.17
10	7	\$6,462.28	\$7,147.88	\$7,395.65	\$7,652.14	\$7,917.66	\$8,192.54
10	8	\$7,384.63	\$8,169.01	\$8,452.17	\$8,745.30	\$9,048.76	\$9,362.90
10	9	\$8,306.98	\$9,190.13	\$9,508.69	\$9,838.47	\$10,179.85	\$10,533.26
10	1x/mo.	\$218.68	\$259.40	\$268.14	\$277.19	\$286.56	\$296.27
10	E/O WK	\$467.01	\$510.56	\$528.26	\$546.58	\$565.55	\$585.18
15	1	\$939.88	\$1,070.03	\$1,106.97	\$1,145.21	\$1,184.79	\$1,225.78
15	2	\$1,873.93	\$2,140.06	\$2,213.93	\$2,290.41	\$2,369.59	\$2,451.56
15	3	\$2,807.98	\$3,210.10	\$3,320.90	\$3,435.62	\$3,554.38	\$3,677.34
15	4	\$3,742.03	\$4,280.13	\$4,427.87	\$4,580.82	\$4,739.18	\$4,903.13
15	5	\$4,676.08	\$5,350.16	\$5,534.84	\$5,726.03	\$5,923.97	\$6,128.91
15	6	\$5,610.13	\$6,420.19	\$6,641.80	\$6,871.24	\$7,108.77	\$7,354.69
15	7	\$6,544.18	\$7,490.22	\$7,748.77	\$8,016.44	\$8,293.56	\$8,580.47
15	8	\$7,478.23	\$8,560.26	\$8,855.74	\$9,161.65	\$9,478.36	\$9,806.25
15	9	\$8,412.28	\$9,630.29	\$9,962.70	\$10,306.85	\$10,663.15	\$11,032.03
15	1x/mo.	\$248.38	\$282.57	\$291.94	\$301.66	\$311.72	\$322.15
15	E/O WK	\$472.86	\$535.02	\$553.48	\$572.60	\$592.40	\$612.89
16	1	\$942.22	\$1,079.81	\$1,117.06	\$1,155.61	\$1,195.53	\$1,236.87
16	2	\$1,878.61	\$2,159.63	\$2,234.11	\$2,311.23	\$2,391.07	\$2,473.73
16	3	\$2,815.00	\$3,239.44	\$3,351.17	\$3,466.84	\$3,586.60	\$3,710.60
16	4	\$3,751.39	\$4,319.25	\$4,468.22	\$4,622.46	\$4,782.14	\$4,947.46
16	5	\$4,687.78	\$5,399.07	\$5,585.28	\$5,778.07	\$5,977.67	\$6,184.33
16	6	\$5,624.17	\$6,478.88	\$6,702.34	\$6,933.69	\$7,173.21	\$7,421.19
16	7	\$6,560.56	\$7,558.69	\$7,819.39	\$8,089.30	\$8,368.74	\$8,658.06
16	8	\$7,496.95	\$8,638.51	\$8,936.45	\$9,244.92	\$9,564.28	\$9,894.92
16	9	\$8,433.34	\$9,718.32	\$10,053.51	\$10,400.53	\$10,759.81	\$11,131.79
16	1x/mo.	\$250.72	\$287.20	\$296.71	\$306.55	\$316.75	\$327.33
16	E/O WK	\$474.03	\$539.91	\$558.53	\$577.81	\$597.77	\$618.43
20	1	\$951.58	\$1,118.94	\$1,157.41	\$1,197.25	\$1,238.49	\$1,281.20
20	2	\$1,897.33	\$2,237.88	\$2,314.83	\$2,394.50	\$2,476.99	\$2,562.40
20	3	\$2,843.08	\$3,356.81	\$3,472.24	\$3,591.75	\$3,715.48	\$3,843.60
20	4	\$3,788.83	\$4,475.75	\$4,629.65	\$4,789.00	\$4,953.98	\$5,124.80
20	5	\$4,734.58	\$5,594.69	\$5,787.06	\$5,986.25	\$6,192.47	\$6,406.00
20	6	\$5,680.33	\$6,713.63	\$6,944.48	\$7,183.49	\$7,430.97	\$7,687.20
20	7	\$6,626.08	\$7,832.57	\$8,101.89	\$8,380.74	\$8,669.46	\$8,968.40
20	8	\$7,571.83	\$8,951.50	\$9,259.30	\$9,577.99	\$9,907.96	\$10,249.60
20	9	\$8,517.58	\$10,070.44	\$10,416.72	\$10,775.24	\$11,146.45	\$11,530.81
20	1x/mo.	\$260.08	\$305.74	\$315.75	\$326.13	\$336.88	\$348.03
20	E/O WK	\$478.71	\$559.47	\$578.71	\$598.62	\$619.25	\$640.60

\* Disposal costs will be charged based on actual tonnage charges determined at the landfill or other disposal/recycling site, plus Franchise Fee.

SOLID WASTE RATE SCHEDULE		Current Rates	Proposed Monthly Rates*				
Compactor Boxes (Cont.)			FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Bin Size (CY)	Pick ups/week						
28	1	\$970.30	\$1,197.19	\$1,238.13	\$1,280.52	\$1,324.42	\$1,369.87
28	2	\$1,934.77	\$2,394.38	\$2,476.25	\$2,561.04	\$2,648.83	\$2,739.74
28	3	\$2,899.24	\$3,591.56	\$3,714.38	\$3,841.55	\$3,973.25	\$4,109.61
28	6	\$5,792.65	\$7,183.13	\$7,428.76	\$7,683.11	\$7,946.49	\$8,219.23
28	7	\$6,757.12	\$8,380.31	\$8,666.88	\$8,963.63	\$9,270.91	\$9,589.10
28	8	\$7,721.59	\$9,577.50	\$9,905.01	\$10,244.14	\$10,595.32	\$10,958.97
28	9	\$8,686.06	\$10,774.69	\$11,143.13	\$11,524.66	\$11,919.74	\$12,328.84
28	1x/mo.	\$278.80	\$342.80	\$353.84	\$365.28	\$377.14	\$389.44
28	E/O WK	\$488.07	\$598.59	\$619.06	\$640.26	\$662.21	\$684.94
29	1	\$972.64	\$1,206.97	\$1,248.22	\$1,290.93	\$1,335.16	\$1,380.96
29	2	\$1,939.45	\$2,413.94	\$2,496.43	\$2,581.85	\$2,670.31	\$2,761.91
29	3	\$2,906.26	\$3,620.91	\$3,744.65	\$3,872.78	\$4,005.47	\$4,142.87
29	6	\$5,806.69	\$7,241.81	\$7,489.29	\$7,745.56	\$8,010.93	\$8,285.73
29	7	\$6,773.50	\$8,448.78	\$8,737.51	\$9,036.49	\$9,346.09	\$9,666.69
29	8	\$7,740.31	\$9,655.75	\$9,985.72	\$10,327.41	\$10,681.24	\$11,047.64
29	9	\$8,707.12	\$10,862.72	\$11,233.94	\$11,618.34	\$12,016.40	\$12,428.60
29	1x/mo.	\$281.14	\$347.44	\$358.60	\$370.17	\$382.17	\$394.62
29	E/O WK	\$489.24	\$603.48	\$624.11	\$645.46	\$667.58	\$690.48
30	1	\$974.98	\$1,216.75	\$1,258.30	\$1,301.34	\$1,345.90	\$1,392.04
30	2	\$1,944.13	\$2,433.50	\$2,516.61	\$2,602.67	\$2,691.79	\$2,784.08
30	3	\$2,913.28	\$3,650.25	\$3,774.91	\$3,904.01	\$4,037.69	\$4,176.12
30	6	\$5,820.73	\$7,300.50	\$7,549.83	\$7,808.01	\$8,075.37	\$8,352.23
30	7	\$6,789.88	\$8,517.25	\$8,808.13	\$9,109.35	\$9,421.27	\$9,744.27
30	8	\$7,759.03	\$9,734.00	\$10,066.43	\$10,410.68	\$10,767.16	\$11,136.31
30	9	\$8,728.18	\$10,950.75	\$11,324.74	\$11,712.02	\$12,113.06	\$12,528.35
30	1x/mo.	\$283.48	\$352.07	\$363.36	\$375.07	\$387.21	\$399.80
30	E/O WK	\$490.41	\$608.37	\$629.15	\$650.67	\$672.95	\$696.02
35	1	\$986.68	\$1,265.66	\$1,308.75	\$1,353.38	\$1,399.60	\$1,447.46
35	2	\$1,967.53	\$2,531.31	\$2,617.50	\$2,706.76	\$2,799.19	\$2,894.92
35	3	\$2,948.38	\$3,796.97	\$3,926.25	\$4,060.13	\$4,198.79	\$4,342.37
35	6	\$5,890.93	\$7,593.94	\$7,852.50	\$8,120.27	\$8,397.57	\$8,684.75
35	7	\$6,871.78	\$8,859.59	\$9,161.25	\$9,473.65	\$9,797.17	\$10,132.21
35	8	\$7,852.63	\$10,125.25	\$10,470.00	\$10,827.02	\$11,196.76	\$11,579.66
35	9	\$8,833.48	\$11,390.90	\$11,778.75	\$12,180.40	\$12,596.36	\$13,027.12
35	1x/mo.	\$295.18	\$375.23	\$387.16	\$399.54	\$412.37	\$425.68
35	E/O WK	\$496.26	\$632.83	\$654.37	\$676.69	\$699.80	\$723.73
40	1	\$998.38	\$1,314.56	\$1,359.20	\$1,405.42	\$1,453.30	\$1,502.88
40	2	\$1,990.93	\$2,629.12	\$2,718.39	\$2,810.84	\$2,906.59	\$3,005.75
40	3	\$2,983.48	\$3,943.69	\$4,077.59	\$4,216.26	\$4,359.89	\$4,508.63
40	6	\$5,961.13	\$7,887.37	\$8,155.17	\$8,432.53	\$8,719.77	\$9,017.26
40	7	\$6,953.68	\$9,201.93	\$9,514.37	\$9,837.95	\$10,173.07	\$10,520.14
40	8	\$7,946.23	\$10,516.50	\$10,873.57	\$11,243.37	\$11,626.36	\$12,023.02
40	9	\$8,938.78	\$11,831.06	\$12,232.76	\$12,648.79	\$13,079.66	\$13,525.89
40	1x/mo.	\$306.88	\$398.40	\$410.97	\$424.01	\$437.53	\$451.56
40	E/O WK	\$502.11	\$657.28	\$679.60	\$702.71	\$726.65	\$751.44

\* Disposal costs will be charged based on actual tonnage charges determined at the landfill or other disposal/recycling site, plus Franchise Fee.

SOLID WASTE RATE SCHEDULE		Current Rates	Proposed Monthly Rates				
Commercial Bins - Internal Compactors			FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Bin Size (CY)	Pick ups/week						
1.5	1	\$82.81	\$100.81	\$104.05	\$107.05	\$110.15	\$113.34
1.5	2	\$160.35	\$196.22	\$202.50	\$208.31	\$214.30	\$220.47
1.5	3	\$237.90	\$291.63	\$300.96	\$309.58	\$318.46	\$327.61
1.5	4	\$315.44	\$387.04	\$399.41	\$410.84	\$422.62	\$434.75
1.5	5	\$392.99	\$482.45	\$497.87	\$512.10	\$526.77	\$541.89
1.5	6	\$470.53	\$577.86	\$596.32	\$613.37	\$630.93	\$649.02
1.5	7	\$548.08	\$673.26	\$694.78	\$714.63	\$735.09	\$756.16
1.5	8	\$625.62	\$768.67	\$793.23	\$815.90	\$839.24	\$863.30
1.5	9	\$703.17	\$864.08	\$891.69	\$917.16	\$943.40	\$970.43
2	1	\$109.89	\$133.89	\$138.18	\$142.17	\$146.28	\$150.51
2	2	\$213.29	\$261.10	\$269.46	\$277.19	\$285.15	\$293.36
2	3	\$316.68	\$388.31	\$400.73	\$412.21	\$424.03	\$436.21
2	4	\$420.07	\$515.52	\$532.00	\$547.22	\$562.90	\$579.06
2	5	\$523.47	\$642.74	\$663.28	\$682.24	\$701.78	\$721.91
2	6	\$626.86	\$769.95	\$794.55	\$817.26	\$840.65	\$864.76
2	7	\$730.25	\$897.16	\$925.82	\$952.28	\$979.53	\$1,007.61
2	8	\$833.65	\$1,024.37	\$1,057.10	\$1,087.30	\$1,118.41	\$1,150.46
2	9	\$937.04	\$1,151.58	\$1,188.37	\$1,222.31	\$1,257.28	\$1,293.31
3	1	\$163.54	\$199.50	\$205.89	\$211.82	\$217.94	\$224.23
3	2	\$318.63	\$390.31	\$402.80	\$414.35	\$426.25	\$438.51
3	3	\$473.72	\$581.13	\$599.71	\$616.88	\$634.56	\$652.78
3	4	\$628.81	\$771.95	\$796.62	\$819.41	\$842.88	\$867.06
3	5	\$783.90	\$962.77	\$993.53	\$1,021.93	\$1,051.19	\$1,081.33
3	6	\$938.99	\$1,153.59	\$1,190.44	\$1,224.46	\$1,259.50	\$1,295.61
3	7	\$1,094.08	\$1,344.40	\$1,387.35	\$1,426.99	\$1,467.82	\$1,509.88
3	8	\$1,249.17	\$1,535.22	\$1,584.26	\$1,629.51	\$1,676.13	\$1,724.15
3	9	\$1,404.26	\$1,726.04	\$1,781.18	\$1,832.04	\$1,884.44	\$1,938.43
4	1	\$217.32	\$267.78	\$276.37	\$284.34	\$292.55	\$301.02
4	2	\$424.10	\$522.20	\$538.91	\$554.38	\$570.31	\$586.72
4	3	\$630.89	\$776.62	\$801.46	\$824.41	\$848.06	\$872.42
4	4	\$837.68	\$1,031.05	\$1,064.01	\$1,094.45	\$1,125.81	\$1,158.12
4	5	\$1,044.46	\$1,285.47	\$1,326.55	\$1,364.48	\$1,403.56	\$1,443.82
4	6	\$1,251.25	\$1,539.89	\$1,589.10	\$1,634.52	\$1,681.31	\$1,729.52
4	7	\$1,458.04	\$1,794.32	\$1,851.65	\$1,904.56	\$1,959.06	\$2,015.22
4	8	\$1,664.82	\$2,048.74	\$2,114.20	\$2,174.59	\$2,236.81	\$2,300.91
4	9	\$1,871.61	\$2,303.16	\$2,376.74	\$2,444.63	\$2,514.56	\$2,586.61

SOLID WASTE RATE SCHEDULE On-Call Compactor & Roll-Off	Current Rates*	Proposed Rates*				
		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Cost Components</b>						
Collection-Roll-off (\$/trip)	\$ 120.03	\$ 140.93	\$ 145.86	\$ 150.96	\$ 156.25	\$ 161.72
Collection-Compactor (\$/trip)	\$ 168.03	\$ 197.28	\$ 204.19	\$ 211.34	\$ 218.73	\$ 226.39
AB 939 Fee (\$/cubic yard)	\$ 0.54	\$ 0.35	\$ 0.37	\$ 0.38	\$ 0.40	\$ 0.42
Admin Fee (\$/cubic yard)	15%	\$ 1.43	\$ 1.48	\$ 1.53	\$ 1.59	\$ 1.64
Pavement Impact Fee (\$/CY)	NA	\$ 0.31	\$ 0.31	\$ 0.31	\$ 0.31	\$ 0.31
Franchise Fee (%)	4%	8%	8%	8%	8%	8%
Disposal	At cost	At cost	At cost	At cost	At cost	At cost

\* Fees will be added as monthly adjustment, based on actual level of service for prior month.

SOLID WASTE RATE SCHEDULE New Comm. Organics		Current Rates	Proposed Monthly Rates				
Bin Size (CY)	Pick ups/week		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
65 gal.	1	N.A.	\$29.63	\$30.69	\$31.72	\$32.78	\$33.88
65 gal.	2	N.A.	\$53.92	\$55.86	\$57.72	\$59.65	\$61.64
65 gal.	3	N.A.	\$74.72	\$77.41	\$79.97	\$82.63	\$85.38
65 gal.	4	N.A.	\$95.81	\$99.26	\$102.55	\$105.95	\$109.47
65 gal.	5	N.A.	\$123.64	\$128.09	\$132.34	\$136.73	\$141.28
65 gal.	6	N.A.	\$137.54	\$142.50	\$147.21	\$152.08	\$157.11

### Solid Waste/Recycling Collection CPI Adjustments for Victorville Disposal

CPI	CPI %	Effective Period
June, 2008(*)	5.40	SEPT 08-AUG 2009
June, 2009(*)	-2.20	SEPT 2009-JUNE 2010
Average 2009	-0.78	JULY 2010-AUG 2011
Average 2010	1.21	SEPT 2011-AUG 2012
Average 2011	2.69	SEPT 2012-AUG 2013
Average 2012	2.03	SEPT 2013-AUG 2014
Average 2013	1.08	SEPT 2014-AUG 2015
Average 2014	1.34	SEPT 2015-AUG 2016
Average 2015	0.89	SEPT 2016-AUG 2017
Average 2016	1.90	SEPT 2017-AUG 2018
Average 2017	2.80	SEPT 2018-AUG 2019
Total	16.36	
Compounded CPI	17.41%	

(\*) Prior to the new contract (11-23-09), the annual CPI/COLA was defined to be the June CPI.

## **Other Rate Component Considerations**

Victor Valley Materials Recovery Facility (MRF) Bond Payment: There is a yearly bond payment of \$264,551 to pay for the construction of the MRF. The Town of Apple Valley also pays the same amount. The total capital cost for the MRF works out to 50 cents per month for residential customers and 21 cents per cubic yard for commercial customers.

MRF Operations and Maintenance: Burrtec Waste Industries operates the MRF under contract for a set amount each month. Revenues from the sale of recycled material offset most of the operations and maintenance cost, therefore this component is directly related to the market and price paid for recycled materials. In addition, the use of the facility by other entities also reduces the operating costs to the owners of the facility—Victorville and the Town of Apple Valley. In prior years, due to strong markets, the MRF actually made a profit each year, however, due to recent mandated Minimum Wage increases and weakening markets, it is assumed that the MRF will not make a profit. The total MRF operations and maintenance cost works out to 20 cents per month per residential account and 9 cents per cubic yard for commercial customers.

The AB 939 Fee also includes the costs of the City's participation in the Mojave Desert & Mountain Recycling Joint Powers Authority. The JPA costs work out to 15 cents per month per residential account and 6 cents per cubic yard for commercial customers.

In addition, the AB 939 Fee for commercial customers was previously calculated based only on the volume (cubic yards) of solid waste service. However, beginning this year, the fee has been calculated based on the volume of solid waste and recyclables collected. As the City's commercial recycling program has grown, the volume of recyclables has grown to represent 32% of total commercial cubic yardage collected, and it is anticipated that recycling volumes will continue to increase in the future. Rather than continue to load all AB 939 program costs only on solid waste services, it is appropriate and equitable to spread these costs out over recycling services as well as the solid waste services. This change will result in a larger percentage increase in the cost of recycling bins vs. the increase for solid waste bins. However, there will still be a cost savings to customers who recycle, through avoided Dump/Disposal Fees.